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U.S. Congress. House.

Amendment of Trade-mark
Act

Washington

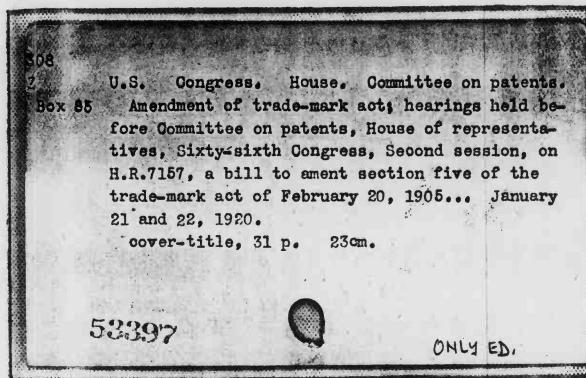
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AMENDMENT OF TRADE-MARK ACT

HEARINGS HELD BEFORE THE COMMITTEE ON PATENTS HOUSE OF REPRESENTATIVES SIXTY-SIXTH CONGRESS SECOND SESSION ON **H. R. 7157**

A BILL TO AMEND SECTION FIVE OF THE TRADE-MARK ACT
OF FEBRUARY 20, 1905

COMMITTEE ON PATENTS

JOHN I. NOLAN, California, *Chairman.*
FLORIAN LAMPERT, Wisconsin.
LOREN E. WHEELER, Illinois.
ALBERT H. VESTAL, Indiana.
WILLIAM J. BURKE, Pennsylvania.
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JOHN MACCRATE, New York.
KING SWOPE, Kentucky.

GUY E. CAMPBELL, Pennsylvania.
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T. C. GLYNN, *Clerk.*

JANUARY 21 AND 22, 1920



WASHINGTON
GOVERNMENT PRINTING OFFICE
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A MENDMENT OF TRADE-MARK ACT.

COMMITTEE ON PATENTS,

HOUSE OF REPRESENTATIVES,

Washington, D. C., Wednesday, January 21, 1920.

The committee met at 10.30 o'clock a. m., Hon. John I. Nolan
(chairman) presiding.

The CHAIRMAN. We have up for consideration H. R. 7157, introduced by Mr. Merritt. You may proceed, Mr. Merritt.

STATEMENT OF HON. SCHUYLER MERRITT, A REPRESENTATIVE IN CONGRESS FROM NEW YORK.

Mr. MERRITT. Mr. Chairman, this bill that was introduced by me is intended primarily to give American manufacturers and business men certain protection abroad which they have not now under the law, and it does not in any way affect anybody's rights in this country, so that it is fair to say, I think, that the bill can only be to the advantage of American business and can not be prejudicial to anyone whatever. It has to do with a clause of the existing law, which provides that any concern which has a trade-mark which has been used by them for 10 years prior to 1905 can register that mark here, notwithstanding certain provisions of the law which would make it non-registerable if it had not been used during the time stated in that clause. Those concerns which have established valuable trade names and trade-marks occasionally wish to go into other lines of goods, and I understand from the lawyers who are expert in that kind of business, some of whom are present, that it is somewhat doubtful, it is not certain, under this law, that they are not entitled to the use of registration in connection with these new lines. But the object of this bill is simply to do away with that uncertainty. Of course, there are a great number of concerns in this country who have trade-marks which would be now not registerable, but which are well known, as, for example, in my own State, the Seth Thomas clocks. That is a name known all over the world. There was a time when every house in China and Japan, if they had a house, had several Seth Thomas clocks in it. It has been the fact also that the Germans have copied those clocks and copied the trade-marks and trade names, and under existing law there has been no way to prevent that.

Just one example, to enable you gentlemen to visualize the problem; there are certain well-known names as, for instance, Baker's Chocolate, Clark's Thread, Kingsford's Starch, Hall's Safes, Pillsbury Flour, and the Singer Sewing Machines. For example, if the Baker's Chocolate people should decide to make some kind of candy, it seems perfectly proper that they should have the protection of their name as a guaranty of purity and excellence and be able to use it in foreign commerce and have it protected, or for the Clark's Thread people, if they want to make twine, or the starch people if they want to make corn sirup, or the safe people, if they want to make bank locks, to do the

same. There is no reason why the name which they have established through generations of work and generations of existence should not be protected.

Mr. MACCRATE. The provision that if a name has been used on an article some time is the only reason why the trade-mark is any good to the public. It is the public that is concerned. If they start in a new line, the public have not any guaranty, simply because they have been good chocolate makers and good thread makers, that necessarily they will be good in candy and twine.

Mr. MERRITT. Of course, they have not any guaranty that because a man has made good chocolate he is going to keep on; but a business man's reputation is his principal asset, and if he has a good reputation in one line he is going to keep it in all. So far as this country is concerned, he has his right under the common law. The committee should bear in mind that what is proposed in the bill does not change anybody's rights, either the consumer's or the manufacturer's in this country. Naturally, the lines would be related in some way or another. For instance, the manufacturer of safes would not undertake to manufacture the chocolate, or vice versa; but it does seem necessary in these days when the manufacturers have got to go abroad in order to keep their works going and their men employed, it does seem proper that the committee should do whatever might be necessary to protect them against these foreign pirates who, the committee know, in other directions are so active in trying to steal names.

I will not take the time of the committee to go further into detail, but will ask these gentlemen, who represent various interests, to state what they can to enlighten the committee further on the matters to which this bill relates. I will introduce Mr. Parker.

The CHAIRMAN. Proceed, Mr. Parker.

STATEMENT OF MR. ALBERT E. PARKER, GENERAL PATENT SOLICITOR, NEW YORK CITY, REPRESENTING THE MERCHANTS' ASSOCIATION OF NEW YORK.

Mr. PARKER. I represent the Merchants' Association in regard to this bill. The Merchants' Association in New York, as you know, Mr. Chairman, is an organization composed of about 6,000 of the leading manufacturers and merchants in New York City. The members have, of course, many trade-marks and many of them are registered under the present statute, and quite a large number of the marks are registered under the 10-year clause which this bill refers to. The Commissioner of Patents, unfortunately, is not able to furnish us with a complete list of the registrations which have been effected under this 10-year clause, without an elaborate search. They have no separate registry of the 10-year registrations, but I have a number of cases before me where the bill in question would offer some remedy, and I would like to cite these as typical examples only of what would be provided for here.

For instance, there is the Remington Arms Co., a large corporation that has been in existence for a great many years—I think perhaps over a century—and has been manufacturing various war equipment and during the war has extended its factories on a very large scale; but now that the war is over, they are looking around for new lines of manufacture, so that they can employ the men, and the women, too, who have been educated up to their work, and so that

they can use the machinery that has been purchased for war work along these new lines of manufacture. They have under consideration two or three different lines of industry that they want to go into, and where they have the registration for the word "Remington," they want to be in a position where they can obtain additional registration for the other goods which they will manufacture.

The Remington Co. has a reputation for putting out a good line of goods and they feel if they go into another line of manufacture they ought to be in a position to protect that additional line of goods and obtain the registration abroad for these goods, which will go out under the name of "Remington," and, of course, will have the reputation of the Remington Co. back of them. At the present time they have no means of getting that protection. Mr. Bright, who is present here, represents the Dupont Co., which is another instance where a company has been doing a great deal of war work, from which it is now released in regard to a large number of its employees, so that it can set up the manufacture of a lot of outside things that have really nothing to do with munitions of war. They are constantly expanding into new lines and wish to be in a position to protect the other goods of that company under the brands that they put out.

Again, for instance, there is the Worthington Pump Co., one of the largest, if not the largest, pump manufacturer in the world. They have a number of trade-marks. The main trade-mark is the word "Worthington," which has a reputation throughout the world. The Worthington Co. is extending into a great many lines of goods not manufactured in the past, and their ramifications go into every corner of the world. They are not in a position, however, under these extended goods, to register the word "Worthington" in foreign countries, so as thereby to prevent the pirating of the trade-marks in those countries, by reason of the fact that they can not register the word "Worthington" in the United States for such extended goods.

Another case would be the Perkins Electrical Manufacturing Co. They have the word "Perkins" registered under the 10-year clause and are constantly extending into other lines and want to be in a position to protect those additional lines. Another well-known trade-mark is that of the Bryant Electrical Co. They have registered the word "Bryant" and are constantly bringing out new lines.

The Westinghouse Electric & Manufacturing Co., one of the largest electrical concerns in the world, has registered the name, "Westinghouse," and wish to be in a position to extend the registration for their additional goods. This bill, if enacted, would enable the large number of American manufacturers who have this kind of trade mark, to extend those registerable under the general part of the statute, as provided for specifically under this 10-year user clause, so as to protect the trade-marks in the United States for the extended goods, and then to get from the Patent Office the certificates of registration in the Patent Office here, so that they can register in foreign countries.

An instance of the danger which American concerns are liable to run into is the case in Portugal, that has become so notorious just recently. Here is a man in Portugal who has applied to register the trade-marks of 43 of the leading automobile manufacturers of the United States. The automobile business, of course, compared with many others, is comparatively young, so that many of these 43

marks that have been taken by this man in Portugal were not registered under the 10-year clause. I am just citing that as an example of what may happen in other lines of industry. If these 43 firms had been able to register under the 10-year clause and had extended their lines of goods, for instance, in connection with other items such as tires or parts of vehicles or motor cycles, they would not be in a position at the present time to register their marks abroad for the extended goods because in most instances those marks are surnames or geographical names and are not registrable in the United States except under the 10-year clause. We want to be in a position to protect all that class of trade-marks here and enable the owners to file their applications in foreign countries where the United States certificates are needed. A large number of countries do not require these Patent Office certificates, but probably between 30 and 40 countries—I can not give the exact number—require certificates from the domestic country to show that the mark is owned by that corporation here.

Mr. MERRITT. Is that true mostly of South American countries?

Mr. PARKER. It is true as to about one-half of the South American countries, and it is true not only as to countries that are considered deliberately piratical but as to countries that protect the first to use trade-marks.

Mr. MERRITT. What is the condition in the East and in Japan?

Mr. PARKER. In Japan you can get registry without having to deposit a home certificate, but if the mark is of the character I have been speaking about, such as surnames, the application goes through much more readily if you are in a position to file a certified copy of your domestic registration. In Australia and New Zealand, these marks would not be registrable under the present statute, but the probability is that statutes along the lines of the new English legislation will be put on to the statute books and enable them to be registered even without any extensive use.

I have a typical case that I did not mention in regard to this class of trade-marks, and that is the word "Fischer." It is the mark of one of the best known American pianos, upright and grand pianos and player pianos, and that concern wishes to extend its good into a line of music rolls and even sheet music, and wishes to be able to put its trade-mark on these goods and to extend the registration that it would have in this country to its additional goods abroad, but under the 10-year clause they are only entitled to registration for the particular goods used prior to 1905.

I think that covers the ground so far as I have facts bearing directly on the class of trade-marks covered by this bill.

Mr. MACCRATE. Do you know, for the information of the committee, the underlying reason for this 10-year clause originally?

Mr. PARKER. It was to enable this very thing to be done that we are seeking to do now. I mean it was definitely provided for so as to enable the American manufacturer to obtain these registrations in foreign countries, and thus prevent the piracy of his mark. It is just an extension of that particular arrangement that we are seeking, so that we can get protection for additional goods upon which the mark has been used since 1905. In a way it seems ridiculous that there should be a line drawn at 1905. It might just as well have been provided for that this could be done at any time in the future; in other words, the bill might have provided for the

registration of any trade-mark that had in fact been used for any period of five years, and if that had been in the act of 1905 we would then have been in a position to protect these trade-marks after five years' use. My feeling in the matter is that even a two-year use would be of advantage; anything, in fact, that can be established as a trade-mark.

Mr. MACCRATE. In 1905 the statute was applied at the time and they fixed the date of passage of this statute as the date at which it should operate.

The CHAIRMAN. Did that law cover the article that at the present time would not be valuable as a registered trade mark on account of having been used for 10 years?

Mr. PARKER. I think not. It was only for the registration of the trade-mark that had been used for 10 years prior to 1905 on any kind of goods.

The CHAIRMAN. But under the law certain kinds of marks are not registrable?

Mr. PARKER. Surely. It is clear that the special legislation was to enable a mark to be recognized throughout the United States.

The CHAIRMAN. Whether it was descriptive of an article or not?

Mr. PARKER. Yes.

The CHAIRMAN. But it did cover any articles under the present law that were being used for 10 years prior to 1905? It did cover any nonregistrable trade-marks.

Mr. PARKER. Surely.

The CHAIRMAN. If you want to get at that why not amend the law and have the law in this country apply as it does in some other countries, just simply the registration of the mark, whether it is descriptive of an article or not? If you want to go that far you are going to open up a way to a wide field.

Mr. PARKER. That is going little too far.

The CHAIRMAN. Why say two years or why say any time, or why go back between 1895 and 1905 and give men who have got to-day trade-marks subject to registration the benefits of this 10-year clause? Why not bring it up to date, and say that any man who has got a mark in this country that is nonregistrable under the laws to-day that he shall have the same rights that these other people have?

Mr. PARKER. That is extending the propositions under the bill, but there is a general feeling that some provision of that kind might be of considerable advantage, particularly in view of this piracy abroad.

The CHAIRMAN. You would not give the Remington people or the Westinghouse people or any of the rest of these concerns that you speak of additional protection now that they are not entitled to under the laws simply on account of them going into another field?

Mr. PARKER. It would give them the protection that they are entitled to under the common law of the United States, that is all that I would give them.

The CHAIRMAN. But you give them under the act of February 20, 1905, protection upon the articles that were not registrable as trade-marks.

Mr. PARKER. I do not give them any more than they would get under the common law.

The CHAIRMAN. The reason that it was given to them was because they had used it for 10 years or more prior to that time. That was

the reason for that. Then the line was drawn, and since that time nobody can get a trade-mark registry unless it complies with the law. Why should we give to these men trade-mark protection in other lines that they engage in unless they come in under our law to-day and get trade-mark protection?

Mr. PARKER. They are protected under the law independently of the statute.

The CHAIRMAN. Now, their trade-mark protects them in certain lines of goods, but if they come in before the Commissioner of Patents to-day and ask for trade-mark registration for articles that are descriptive etc., they can not be entitled to trade-mark protection.

Mr. PARKER. That is true.

The CHAIRMAN. Of course, that is a trade-mark name; it is not descriptive of any article.

Mr. PARKER. But it is not registrable even so.

Mr. MERRITT. Mr. Chairman, do you not think that this committee and Congress should guard themselves most against confusing the existing legal rights that a manufacturer has as against domestic competition, unfair trade competition, and the rights which he has by reason of the registration, to get protection in foreign countries?

Mr. PARKER. You have got to differentiate between the rights in this country, which are not going to be extended by this bill, and the rights in foreign countries, so as to protect American trade which is to the benefit of everybody in this country as against foreign pirates.

Mr. MACCRATE. This is the thing in my mind. There are a great many other people who have extended their operations during the war?

Mr. PARKER. Yes.

Mr. MACCRATE. Who would apply to register names, but because, prior to 1905 for 10 years, they did not have that trade name which was registrable, they now can not have it.

Mr. MERRITT. I think the law ought to be amended to extend to them.

The CHAIRMAN. Then you would not have any law at all except simply a registration.

Mr. MERRITT. That is what I think.

The CHAIRMAN. If you want to do that, why not let us open up the whole question of trade-mark registration and get it down to a definite thing, of just simply taking everybody in, whether the article is descriptive or not, and file in the Patent Office application for registration?

Mr. MERRITT. That is what was covered in the hearings. I know two or three instances where the commissioner said that would be desirable. That is just the point.

The CHAIRMAN. No; they did not go that far on that proposition, but what he had in mind was in amending the law of this country as far as our trade-marks are concerned, but where a mark was non-registrable they be permitted to come here and register and get protection in other countries not under our own laws. We were willing to have the manufacturer get protection in other countries but not give them that same protection in this country.

Mr. MERRITT. That is right.

The CHAIRMAN. That is not a consistent way of looking at things. I am not sticklish of the law as passed. If it is good for one it is good for another.

Mr. MERRITT. I agree to that.

The CHAIRMAN. We ought to have a general statute or amendment to the laws that would be as liberal in registering trade-marks in this country as they are in other countries.

Mr. MERRITT. My theories about introducing this bill were this, not that I do not agree with the point raised by the gentlemen on the other side of the table, because I think that is right, but it was a case of a single step concerning which I thought there could be no question of advantage and no harm to anybody; it is a step which is necessary because to-day, as Mr. Parker pointed out, with the trade-mark pirates already busy, and certainly we do not want to protect them. They are filing American well-known trade names in foreign countries, and when a man comes up to a country with a cargo of his own goods, he can not land it, because he is subject to having them confiscated. That is certainly not to the advantage of this country at all. I thought that this bill would permit a step to the class of people already allowed to register under the law, and therefore there would be no question about that, and that the larger question of allowing everybody else to register might come up separately.

The CHAIRMAN. The fact of the matter is that recent court decisions are to the effect that registration of a valid trade-mark in the Patent Office does not mean trade-mark protection unless it is in general use.

Mr. MERRITT. I agree to that.

The CHAIRMAN. And throughout the country a man has protection only in the section of the country where he has used his mark, so that he has no real valid trade-mark protection.

Mr. MERRITT. I think that is a fair proposition. The lawyers here will correct me if I am wrong when I say that the present laws for the registry of trade-marks give no additional protection in this country other than what you have under the common law. Is that correct?

Mr. PARKER. That is true.

Mr. MERRITT. Therefore, the committee in considering any bill on this subject should simply consider that with reference to protection of the American in foreign countries. I think that anybody who wants to go into foreign trade and wants to protect there the use of his own name ought to have the right to simply register it here simply as a basis for getting foreign registration.

The CHAIRMAN. The unfortunate part of this bill is that it only recognizes special rights of individuals under the law of 1905.

Mr. MERRITT. That is right. I do not think that is an objection to this bill. So far as I am concerned, I would be delighted to have it enlarged.

The CHAIRMAN. I do not know, myself, whether there is any other objection to it, because I am not familiar enough with conditions, but opening up a subject of that kind necessarily means that this committee will have to be enlightened upon the thing as a whole and have to get the Commissioner of Patents here and others.

Mr. MERRITT. I am sure that as far as they are concerned there will be no possible objection to enlarging it.

Mr. PARKER. That is entirely true, and the Commissioner of Patents stated that his attitude would be entirely helpful and he would do anything he could to obtain the enactment of a measure which would do exactly what the chairman has suggested here.

**STATEMENT OF MR. GEORGE D. SEYMOUR, OF NEW HAVEN,
CONN., REPRESENTING THE WINCHESTER REPEATING
ARMS CO.**

Mr. SEYMOUR. I am a Connecticut Yankee. I wish to say a word for the Winchester Co. in regard to what Mr. Merritt has stated on the question of trade-mark policy. I was brought up in the town of Bristol, Conn., from which the entire clock industry of this country emanated. We claim, indeed, there to have developed, in connection with the production of clocks by machinery, what Gen. "Joe" Hawley used to talk about in all of his campaign speeches, as the "great American principle of interchangeability of parts" which is now, of course, in use throughout the entire world, and which we claim in my part of the State was developed in connection with the duplication of clock wheels. In New Haven, where I now live, they claim that it was developed by Eli Whitney, in connection with the manufacture of guns for the Government, back in the early days. As I was brought up in Bristol, of course, I heard a great deal all my boyhood on the subject of clocks. My father was an inventor of machinery for making clocks. Bristol manufacturers sold at that time a great many clocks in South America, in China, and Japan. The Bristol clocks were very largely exported also to England. This having been a subject in which I had been interested from my childhood, when I finally went to China and Japan 20 years ago, on a trip around the world with Gifford Pinchot, I took pains to see what clocks were on sale. So I put my head into every shop, big and little, that I could find where I saw a clock displayed for sale. I was very much surprised at what I found out about those clocks, and when I got home I gave an address to the chamber of commerce in the small country town of Bristol, on "Familiar Faces in China and Japan." No one knew beforehand what I was going to talk about; what I did talk about was, that in the small shops in China, Japan, and the Philippines, I saw exact Japanese imitations of exact German imitations of clocks that originated in Bristol and in New Haven, Conn. The explanation of this was that German clock-makers in the Black Forest had copied clocks made for the export trade in Bristol and New Haven and sent them to the Far East into our original market. In this way the German pirates knocked out our Connecticut export trade in clocks. These German imitations copied our trade names and trade-marks, of course. Then the Japanese, who are the "Yankees of the East," beat the Germans at their own game. The Japanese went to work and imitated the German imitations of Yankee clocks and drove the German clocks out of the market. Now, there was no way to stop all this. The trade-mark laws were too imperfect to enable that game of double piracy to be stopped, and our American export trade in clocks was practically destroyed.

One of my brothers-in-law is to-day a very large manufacturer of Yankee clocks and Yankee watches. His firm is The E. Ingraham Clock Co. They have a large establishment, employ a great many hands, and pay high wages. I said to him the other day: "Why do you not begin the export of clocks again? Would not that afford an outlet for your product of to-day?" He turned to me and said, "George, I could without any difficulty build up an enormous export trade in our clocks and watches, but that would be time and labor lost, because as soon as the Germans get on their feet again, they will

produce clocks in the Black Forest so much cheaper than I can produce them that they would almost immediately take the foreign trade which I had so carefully built up away from me again. There is no use of going into the export trade. I could not hold it."

Now, behind all this, you have the trade-mark question. Trade-mark legislation of some character is desirable to protect the manufacturer.

The CHAIRMAN. On the question of the Germans taking away that trade this gentleman might build up, has it been built up on his trademark or built up on his ability to sell clocks at a certain price?

Mr. SEYMOUR. It was built up on both, I suppose. The clocks of this company, the Ingraham company, have a very high reputation for quality and the pirate is all the time grafting on that reputation.

The CHAIRMAN. What I meant was, when the Germans get started again, they would be able to produce clocks so much cheaper. Suppose they produced a similar clock without the trade name and sold it cheap. What advantage would there be in the trade name?

Mr. SEYMOUR. I think there would be an important advantage in the trade name, because buyers of foreign goods, especially in the Far East and in South America, as is shown by all of our consular reports, as I read them, examine the goods that they buy very minutely for characteristic markings.

The CHAIRMAN. That is exactly what I wanted to get at. Do they pay much attention to the trade-marks?

Mr. SEYMOUR. According to the reports of our consuls they pay great attention to trade-marks and trade names. Am I not right in that, Mr. Merritt?

Mr. MERRITT. I think so, absolutely. That is especially true in the East, Mr. Chairman.

Mr. SEYMOUR. I have spoken at length of clocks because Mr. Merritt referred to the clock business, in which I am very much interested. I seem to have in my brother-in-law's refusal to go into export business again an interesting sidelight on the question of foreign trade-marks.

Now, before I get to my real subject, I would like to speak of a foreign experience with the Winchester company. I have been advising that company about patent affairs and trade-marks for many years. They have a great prestige throughout the entire world for their products, and their name is pirated all the time in the line of guns and ammunition and in many other lines of goods, and particularly lines of goods that are sold in hardware stores, where guns and ammunition are sold. They sell a great many goods abroad, and I remember eight or ten years ago they consulted me about the possibility of a suit to be brought, I think in Bohemia, against manufacturers of ammunition. I was furnished with boxes containing this ammunition as supplied to the trade, and these boxes were "smearied" with the name "Winchester." I corresponded with foreign lawyers and they stated that it would be practically impossible for the Winchester company to stop the infringement by suits. What I did was to write to the State Department and request the department to send the American consul at Prague to this manufacturer and talk to him about this invasion of the rights of the American maker of the ammunition. Now, they cared nothing over there for threats of suits in their courts, but when they received a call from the American consul who sent in his large visiting card with the arms of the United

States on it, they began to be quite serious about it. I subsequently, in an European trip, went to Prague and saw the American consul, who went again to see these people. We had an interview with them and they agreed to stop the infringement. The trade-mark protection amounted to nothing over there, but the infringer was afraid to go ahead when the representative of the State Department came to him and protested.

I am now getting down to my real subject, which concerns, in the first place, the welfare of the Winchester Repeating Arms Co. and the welfare of the New Haven community, and, secondly, the welfare of the public at large who buy our kind of goods. The deception of the public is a very vital phase of this trade-mark question, and it comes before you under Mr. Merritt's bill.

At the outbreak of the war the Winchester plant was enormously increased in size for the manufacture of guns and ammunition for war purposes. At the close of the war the company finds itself with a plant infinitely greater than it can possibly utilize. I am told that if all of the manufacturers in this country of arms and munitions were to turn over their business to the Winchester Co. that would not keep all these big shops full and would not employ all of these people who at the beginning of the war moved to New Haven with their families and who are now members of our community and send their children to our schools. We have either got to tear these buildings down and sell the machinery or we have got to make goods in them. We can not pay taxes on them and keep them up unless we are doing something with them, and, of course, we are anxious to utilize the property and, as far as possible, keep all of these workmen. Every manufacturer is reluctant, perhaps contrary to the public opinion as expressed in the newspapers, to have the workmen in his employ scattered. Now, we went at this subject carefully after the armistice was signed, to see what lines of goods we could go into to fill up these shops, and we naturally decided to go into lines of goods that would be sold in the same stores that were selling our guns and ammunition; lines of goods which our present organization of salesmen could handle. Those were the two vital economic considerations; the same stores and the same salesmen. So we decided to make lines of cutlery and sporting goods, such as fishing rods and reels and tackle, ice skates and roller skates, axes, hammers, saws, shears, pocket knives, razors, and butcher knives, and so on, a general line of edge goods. We want to put those goods on the market as Winchester products, and we want to be protected in the name "Winchester" as applied to them.

The gentleman here says, but how is the public going to know that this new line of goods participates in any measure in the quality of the guns and ammunition upon which the trade value of the name "Winchester" has been built up. Nothing is more important, I should say in reply to that question, to the Winchester Co. than to put the same quality into the new line of goods that they have always put into their guns and ammunition. Otherwise they have thrown into the discard a colossal amount of money and time and labor, which they have put into making the word "Winchester" valuable, which is a word representing quality not in the United States alone but throughout the entire world. We are bound to produce goods which will satisfy the public in respect to quality or else the whole thing might

as well be passed up. In the last 30 years many small concerns starting out with a line of goods have put the brand "Winchester" on them, especially goods to be sold in stores where they also sell Winchester guns and ammunition. The customer goes in and if he wants an ax and he sees an ax branded "Winchester," he buys that ax because it is connected in his mind with Winchester quality, and he thinks that ax in some way or other participates in that quality, and he is absolutely deceived unless the salesman takes particular pains, which, of course, he never takes, to say that the ax branded "Winchester" has nothing whatever to do with the Winchester Co. and that it is simply a brand adopted by the ax-making concern in order to graft on the Winchester Co. name. Of course, that never takes place. The customer is deceived and has been deceived for many years in that way.

Mr. MACCRATE. Is there any company other than the Winchester Arms that has been in existence for any length of time, including the 10-year period, now who has used the word "Winchester" in connection with some other implements and articles?

Mr. SEYMOUR. I wish to be very careful in answering these questions. I can not wish that to-day there is any company which has been using the word "Winchester" for more than 10 years prior to to-day. My correspondence, if it has been preserved, would, I think, unquestionably answer that question in the affirmative.

Mr. MACCRATE. If it would answer it in the affirmative, would it be fair then to people who have built up in axes a reputation for making good axes under the trade-mark "Winchester" to allow them to be deprived of that name now?

Mr. SEYMOUR. I am afraid I have not answered your question quite accurately. I should say that for the last 25 years different concerns have started in on using the word "Winchester," who have under representations from us or for other reasons given it up. I do not know of any concern that has continuously employed the word "Winchester" for any line of manufacture. Here, for instance, is one of the things that we are up against. Here [indicating] is a catalogue, a recent one, 1919, of Charles Broadway Rous. They do a big mail-order business. They illustrate a line of axes and there you have the Winchester brand. That is not only a strike at our property in the word "Winchester," but it also is a direct imposition upon the public. If this ax had been marked, let us say, "Charles Winchester, not the original Winchester," it would have been different. Whenever you employ a proper name on an article that has a great name for quality the origin of the second article should be indicated, I believe, in order to avoid the confusion of the public, as was settled in the Chickering Piano Co. case. The courts required so much descriptive matter on the fall boards of those piratical pianos that the pirates could not sell them.

The CHAIRMAN. How about when people go into another line of business that is entirely foreign to that of the original company?

Mr. SEYMOUR. It is difficult to discuss the question, perhaps, and make very much headway when it takes as broad a sweep as that. I should say that we could safely proceed along the lines of goods that we sell in the same stores.

The CHAIRMAN. For instance, Winchester is a familiar name out in our country. We have had for many years a big firm, and one of the men's names is Winchester. They manufacture harness and saddleery. I do not know how long the trade name of Winchester Arms

has been established, but I know in San Francisco, for probably 40 years, the Winchester Harness & Saddlery Co. has been in existence. Why should that man be stopped who entered into a legitimate business that he knew all about from selling the goods that he has manufactured? He has built up that business, which is not to the Winchester Arms?

Mr. SEYMOUR. I certainly think he should not. The confusion I am thinking of proceeds from the sale of related goods in the same stores.

Mr. DAVIS of Tennessee. I notice that this Rouss catalogue catalogues three brands of axes, the Kickapoo, the Acme, and the Charter Oak, at higher prices than the Winchester brand, and one of them considerably higher. Does this indicate that the brand Winchester was not particularly helpful in obtaining a higher price in deceiving the public?

Mr. SEYMOUR. I can only speculate on the idea of putting "Winchester" on a cheap ax, but I can assure you that the application of the name Winchester to a cheap ax is very harmful to the Winchester Co. That is the brand of an absolutely A-1 product; theirs is a cheap product, of course.

Mr. MACCRATE. The bill, Mr. Merritt, is very broad. You will find on line 14: "and shall thereafter and subsequently extend his business so as to include other articles not manufactured by said applicant in 10 years next preceding February 20, 1905," etc.

Would you limit that language to related articles?

Mr. SEYMOUR. I had not considered that phase of the question. I should be rather disposed to do that.

Mr. MACCRATE. Of course, there may be people who have gone into lines with names not related to some of these established names.

Mr. MERRITT. We have the instance named by the chairman. You see, you could not have a metal-goods manufacturer going into harness and claiming the protection as to the harness.

The CHAIRMAN. You have to be careful about that.

Mr. SEYMOUR. No man has a right to monopoly of his own name. It is only when it is used to deceive the public that the law, it seems to me, should interfere. It is hardly fair for me to quote a man who is no here, but I had hoped that I might see him before coming here. That is Judge Julius Mayer, of New York. I had a long conversation with him a number of years ago on the subject of trade-marks directly after he had heard a long trade-mark case and he was quite wrought up about the subject, because he thought that the law should be changed, as I understood his remarks. The case involved some very well-known trade-mark, and I can not tell at this length of time what it was, but say it was the trade-mark of the name "Uneeda" for biscuit, limited under the terms of the registration to biscuit, and somebody else had put in the same grocery stores another article of food and called it Uneeda. That was without any legal remedy under the statute. I do not say that that was the case but it was something like that, and Judge Mayer said he thought that the law should be amended as to trade-mark registration so that the classification should either be abandoned altogether or made immensely more comprehensive, because here in the case that he presented was the use of a name which had cost a great deal of money and represented a fine article used on another article so that the subsequent and piratical user was grafting on the business of the originator.

Moreover, you must also look at this question from another angle, and that is the angle of making the word common. Now, if any trade-mark name is made immensely common, it loses its significance very rapidly. If it is applied to a great variety of products, the public becomes confused and it no longer has any particular distinction. So far as the Winchester Co. is concerned, we have no desire to have it attached to anything but a line of sporting and hardware goods, all related in general character, all personal in the character of their use, sold in the same stores by the same clerks to the same class of trade and presented to the public by one line of salesmen. You perhaps noticed, and perhaps did not, that in the list of articles in which we are interested, we have chosen goods which are personal in their character.

A man buys a gun and his gun is very personal to him; he becomes attached to it the same as he does to his horse. He buys a particular fishing reel and a particular rod, particular kind of tackle, and he is successful and catches fish by skill or good fortune, and he becomes attached to these. A man buys a certain razor and he always wants to buy that razor. We have aimed in our new lines to produce goods which are personal to the user just as guns and ammunition are.

The CHAIRMAN. I think the committee is in line with the idea of giving the right sort of protection to these institutions that have spent a lot of money as well as given a great article and good service to the people. The only thing we have got to look to in new legislation is that we do not open up a way to abuses of this.

Mr. DAVIS of Tennessee. Do you think, Mr. Chairman, that the objection which has been urged by several or, rather, suggested, could be avoided by providing that this act should become effective at some certain subsequent date, so as to not interfere with those who have already built up a trade on such articles, but would prevent that being done in the future, and they would have legal notice of the fact, and if they undertake to enter upon the manufacture of such articles they do so at their own risk?

The CHAIRMAN. I do not know. We are only surmising that such abuses would be established. I have not it fixed definitely in my mind. We are trying to bring out what the real purpose sought to be accomplished is and what the real effect would be of such legislation. We have to safeguard ourselves to see that we shall not open up a door. I do not know but what it would be a good idea to amend the trade-mark laws altogether and simplify them. I have not that fixed in my mind, but this is in a way opening it up for certain individuals in this country that have certain rights that others can not get. It is extending their rights. I do not say it is not a fair proposition for them to come to us and ask.

Mr. MERRITT. It is not extending their rights in this country.

The CHAIRMAN. It is doing this: They can go into the manufacture of things in this country to-day and get protection on them that some new man can not get.

Mr. MERRITT. No; not in this country.

The CHAIRMAN. They have certain rights for their trade name, because they had that trade name prior to 1905.

Mr. MERRITT. This legislation does not give them any rights that they have not now.

The CHAIRMAN. But it extends the particular privileges to other lines of trade, and through the extension of this law to these other

lines they are about to engage in, it gives them that additional protection abroad where our trade-mark laws are recognized. That is what it does. It does extend to them for the other lines in which they engage in.

Mr. MERRITT. For related work.

The CHAIRMAN. The law does not say that.

Mr. MERRITT. But that is the effect of the law.

The CHAIRMAN. But the idea is they are going into other fields, but to-day they have the right to put their trade-marks when their trade-mark is registered in this country on those additional lines of goods they seek to manufacture. The law gives them that.

Mr. MERRITT. But they can put their trade name or mark on these additional lines now in this country without any additional law.

The CHAIRMAN. They get that protection which the new man can not get.

The CHAIRMAN. If the article is descriptive, John Jones can not go into the Patent Office and get protection, but the Remington Co. can put their name on it and get protection in this country because they were engaged in the business prior to 1905 for the period of 10 years. It does not give them protection on these other lines, but you are extending it under this law.

Mr. MERRITT. I do not wish to argue with the chairman about the law, because he knows more than I about it.

The CHAIRMAN. You and I are in the same boat. I am not a lawyer. If I do not understand this thing I want to be set right. They want in this country to-day the same protection on other lines of goods which was granted February 20, 1905, for the line of goods they were then engaged in manufacturing. Is that right?

Mr. MERRITT. I think the error that some of us may be laboring under is that by registration in this country at any time under the present law some additional domestic protection is gained. That is not so. He has that protection under common law without any registration. To-day, take the Winchester and Remington Arms and all the rest of them, if they want to make any other goods related or not related they have protection for their names under the common law just as much as under registration.

Mr. SEYMORE. It is a good deal easier for them to protect a right under registration than to protect it under the common law.

Mr. MERRITT. But if they register there is no added proof that their legitimate trade-mark is a valid trade-mark.

Mr. SEYMORE. It simplifies the matter of date.

Mr. DAVIS, of Tennessee. Your point is the right of action to protect the right by common law and not patent law?

Mr. MERRITT. Exactly.

Mr. MACCRATE. The practical proposition in registered trademarks in this country as soon as they find somebody else using that name is that they send a notice to them, saying, you must desist from the use of that name because we have it registered, and then, as Mr. Seymour says, a lot of them do discontinue and try a new name. The Remington Co. will put on a new name and will send out a new notice. That is what the lawyers do to-day. They send out to American manufacturer using a similar name that they have registered this name in the Patent Office and we beg to advise you that hereafter you will use this name to your detriment. That is the danger as far as America is concerned.

Mr. MERRITT. They would send notice to infringers whether they had registered their trade-mark or not.

Mr. PARKER. My thought was this. There are two or three of the largest firms of lawyers in New York City doing an extensive trade-mark business, some of whose clients I have mentioned here, who never advise their clients to register their trade-marks because they say that it is a handicap to them when they go into court to sue; a handicap because of some limitation that has been put upon their registration, but they invariably sue under the common law and ignore the registration.

Mr. MACCRATE. But is it not a fact that when people register a name they have a right over people who have no registration and they can tell them to desist.

Mr. PARKER. They do it also without any registered name.

Mr. MACCRATE. But if you register that name does that not give the registration name an advantage over that which has no registration?

Mr. PARKER. That is so. A man who has anything that is recorded has something more valuable than that which is not recorded.

Mr. MACCRATE. Then they who have been honestly using a reputable name come under this law.

Mr. PARKER. Yes; that is true.

Mr. MACCRATE. If the Remington or the Westinghouse Company go into some different line from what they are now in, that is not related to them entirely, and someone for 10 years has been engaged in this line without getting registration, the company will tell him to stop using their trade-mark.

Mr. PARKER. There is no protection merely from registration. The legal effects arise from the first use and that first use would be protected, while a new man would be getting nothing under the trade-mark law.

Mr. MACCRATE. He would be if he knew but the average man if he is a small business gets scared of it.

Mr. PARKER. The whole basis of this, it seems to me, is due to the procedure in the United States where the right to apply for registration of that trade-mark is acquired by use. The United States is practically the only country in the world, the only important country, undoubtedly, where you are required to show use of a trade-mark upon certain lines of goods before applying for registration. I do not know of any important country, and I have an immense experience in such matters, as much as anyone in the trade-mark line, where they make the basis of use the right to register.

Mr. MACCRATE. That is the reason for piracy in these other countries.

The CHAIRMAN. Does not this proposed bill open the way to a monopoly of a name in certain lines?

Mr. PARKER. No, sir; because no one can be prevented from using his own name in the United States.

The CHAIRMAN. When a man goes to register in these lines it gives them an opportunity in the other lines he has not registered?

Mr. PARKER. It might in the foreign country, but it would be without prejudice to the first to use in the United States.

Mr. BABKA. It would give them a monopoly in the export trade.

MR. PARKER. No; not in that case, because there would be infringement of the rights of the man who first used the mark in the United States.

MR. BARKA. As far as the United States is concerned.

MR. PARKER. If you apply a trade-mark to goods in the United States for the export trade, you are just as much infringing the other man's rights acquired by user as though you apply it on goods for sale in this country. There is no question about that.

THE CHAIRMAN. This thing specifically limits the extension of the trade-mark law to any beneficiaries under the law of 1905, and I have a doubt in my mind as to whether we ought to give any special trademark protection.

MR. DAVIS. Assuming, for the sake of argument, that he would have no protection in the United States, would it be a protection in foreign countries against other American manufacturers of the same or other articles?

MR. PARKER. It might do that against other manufacturers of the same article who had previously commenced the use of the same trade-mark.

THE CHAIRMAN. We will resume the hearing to-morrow morning at 10 o'clock.

(Thereupon, at 11.45 o'clock p. m., the committee adjourned to meet again at 10 o'clock a. m., Thursday, January 22, 1920.)

COMMITTEE ON PATENTS,
HOUSE OF REPRESENTATIVES,
Washington, D. C., Thursday, January 22, 1920.

The committee met at 10.30 o'clock a. m., Hon. John I. Nolan (chairman) presiding.

THE CHAIRMAN. Mr. Commissioner, we will be glad to hear from you on H. R. 7157, introduced by Mr. Merritt, an amendment to section 5 of the trade-mark act of February 20, 1905.

STATEMENT OF HON. JAMES T. NEWTON, COMMISSIONER
OF PATENTS.

MR. NEWTON. Mr. Chairman and gentlemen, I went over this bill last night, which was the first time I had seen it, and my objection to it was that it was rather revolutionary in this respect, that it did not require any use of the mark at all for registration. Our whole trademark law is based on use. Otherwise, I am favorable to the spirit and object of the bill and see no objection to it. Under the present trade-mark statute, we give a man who has had exclusive use of his mark for 10 years the right to register whether it is registrable ordinarily or not.

THE CHAIRMAN. You do that now?

MR. NEWTON. Yes, sir; that is in the 1905 statute and this bill goes a step further and allows him to register the mark that he has used so long on things that he has not used: at least, it does not specify that he has used the mark on. I think if the bill was amended to state that these marks might be registered after the trade-mark had been used on them there would be no objection at all to the bill.

THE CHAIRMAN. What length of time would you specify that it had to be used in?

MR. NEWTON. That is something that you might say you can put an arbitrary limit on. There is no reason why it should be two, three, or four years that I know of, and following the English statute that they have just passed, that specified two years' use of the mark where it is not registered otherwise, I suppose that would be about right, the object being to let the people of the country know that the mark was being used, so if they objected to it they could come in and ask the cancellation of it or oppose it, and it would take it probably two or three years before it might be known as such outside of its immediate territory. But I would not suggest any specific time. I do not see why the mark specified in this bill should not be registered as soon after the beginning of the use as possible because the mark itself is not the exclusive possession of the man that wants to register it, anyhow. As I understand it, this bill is intended to cover such cases as those where, for instance, the Winchester Co. has had the use of the word "Winchester" on guns for a number of years and they want to extend their goods to knives or something of that sort. We would not register Winchester now in the Patent Office because it is geographical, but this bill proposes that, since it has already been used and registered for 1905.

THE CHAIRMAN. You say because it is geographical. How do you arrive at that?

MR. NEWTON. Winchester is the name of a whole lot of places.

THE CHAIRMAN. It is a family name also.

MR. NEWTON. It might be objected to as a family name also.* It might be both of these objections, so we would not register it at all on knives if the Winchester Co. had never used it on knives until recently. This bill proposes that this word be registered for the Winchester Co. because they have had use of it so long on a similar or another article of commerce, and I see no objection to that.

MR. BABKA. You say you would not register it on knives?

MR. NEWTON. No, sir.

MR. BABKA. What good would this bill do?

MR. NEWTON. This bill proposes that for all those marks that have been in use, that "any person or corporation shall have so registered a mark upon the ground of said use for ten years preceding February 20, 1905," etc.

I do not know why you should fix that date. I would say ten years from the date he applied for registration.

THE CHAIRMAN. It confers upon beneficiaries of that law of February 20, 1905, due to the fact that they had been actively using a mark, certain benefits under this bill.

MR. NEWTON. Yes.

THE CHAIRMAN. I brought up that proposition yesterday, and it was one of the reasons we wanted you here to-day, to get your opinion on this bill. If there is going to be any general legislation amending trade-mark laws, and if we have any abuses in our present laws, it seems to me we ought to make it general rather than have it apply only in certain specific instances.

MR. NEWTON. I am coming to that in a moment, Mr. Nolan. I have a bill that we worked on last night to submit to meet the committee's views on the fact that this bill only covered a certain class of people or a certain number of people, and you wanted the bill to be

more general in its character, and we have drawn up a bill to be more general in its character as an amendment to the Pan-American bill that passed the House yesterday.

The CHAIRMAN. As an amendment to that bill?

Mr. NEWTON. Yes sir.

The CHAIRMAN. Your idea being to offer that in the Senate committee?

Mr. NEWTON. Yes. To come back to this bill, I think probably the gentlemen ought to understand just exactly what these people are driving at. Take the Du Pont Co. or the Winchester Co., or any of those companies that have had their names in use for years and have gotten considerable reputation, when they go out into a new business.

The CHAIRMAN. I do not think there is any doubt in the minds of the committee as to what they are aiming at. Mr. Seymour explained that, as well as other gentlemen yesterday. We know what the Du Pont people have been doing for several years, that they have big plants at Hopewell and other places, and that they intend to go into certain definite lines. Their name, they figure, is a guarantee to the people in these new lines just as well as before in the old lines, and they want to be protected as well in the new lines as they have been in the old through their commercial name and their trade-mark. That is the purpose of this bill, is it not?

Mr. NEWTON. Not quite. That is what I am coming to. They want to get foreign registration.

The CHAIRMAN. I understand that, but they want this in general; they want this general protection.

Mr. NEWTON. This bill really does not give them any general protection. It simply puts their name on the register, and when we do that the foreign countries will register those marks and they will not do it until we do. Registration, you must keep in mind, really does not help man's trade-mark very much, if any.

Mr. MERRITT. In this country?

Mr. NEWTON. In this country. Our entire trade-mark law is based on use. A man has got to rely on his use and on that alone, whether it is registered or not. Of course, I do not mind saying at all that the registration does not amount to anything.

Mr. BABKA. But it does amount to something when they apply in foreign countries.

Mr. NEWTON. That is the point.

Mr. BABKA. They must have it registered here before the foreign country will register.

Mr. NEWTON. That is all the good these gentlemen will get out of this bill.

Mr. BABKA. Take certain people manufacturing axes in this country who had been using the word "Winchester." Suppose under this new act, the Winchester Co. applies for a trade-mark and has it registered here. Will that not give the Winchester Co. an advantage in a foreign country over those people who have been using that term as applied to axes here for a number of years?

Mr. NEWTON. Undoubtedly.

Mr. BABKA. Do you think that is fair? Should not the people who have been using that trade mark in respect to the axes have the advantage in the foreign country? Why should the Winchester Co. be given this advantage?

Mr. NEWTON. There would be equities on both sides.

Mr. BABKA. It seems to me that if those people have been manufacturing axes and using that term, that it should apply to them, if anyone should have the advantage of the name, they are the people. They have built it up in respect to that commodity.

Mr. MERRITT. Answering the Congressman, I think there is a provision in the Nolan bill, that if it appears that somebody else on the particular article has properly been using a mark, there is a provision for taking off the register any mark illegally registered.

The CHAIRMAN. But that only applies to that trade mark convention.

Mr. MERRITT. That has to do with foreign marks.

The CHAIRMAN. That only applies to certain countries that are signatories to that convention.

Mr. JOHNSTON. Will you register more than one trade-mark of the same character to the same name?

Mr. NEWTON. You mean to put them all on the same register?

Mr. JOHNSTON. Yes.

Mr. NEWTON. That is another point that we discussed last night quite exceedingly. We propose to have two registers, one for marks that we would not put on the present register. You passed the Havana bill yesterday. We proposed to register all the marks that were sent from Havana irrespective of whether they were registerable or not under the present statute, but we propose to put these marks on a separate register.

Mr. JOHNSTON. What would be the value of putting them on a separate register?

Mr. NEWTON. Nothing except for the foreign registry.

Mr. JOHNSTON. Take this case that Mr. Babka referred to, this axe situation, a corporation or individual has been building up a business largely known and designated by the name of Winchester. Would this bill permit another company known as the Winchester Rifle Co., or whatever it is, to get exclusive control of that name?

Mr. NEWTON. No; it would not. This bill would allow him to register it provided nobody else laid claim to it. The present trade mark statute provides that if anybody else objects to registration of that name and has a better right to it than the man who proposes to register under this bill, he may oppose it and cancel that registration and then that would be subject of litigation. The office and the courts would determine who was entitled to that word "Winchester."

Mr. BABKA. How are these people notified that application has been made for registering a certain name?

Mr. NEWTON. They need not be notified. They would see it in the trade or if they came to the office to have their mark registered then they would be notified.

Mr. BABKA. That would be after it had already been registered.

Mr. NEWTON. Yes. There would be no harm done because we can take a name off the register just as easily as we put it on.

Mr. BABKA. But in the meantime, take the Winchester case, for instance, they might have that applied in a foreign country and get their registry there.

Mr. NEWTON. They might have if they slipped in without the other people knowing it. I do not believe you will find any way of keeping these names out.

THE CHAIRMAN. The bill we passed yesterday in section 2 contained a provision that applied to the trade-mark convention:

That whenever any person shall deem him-self injured by the inclusion of a trade mark on this register, he may at any time apply to the Commissioner of Patents to cancel the registration thereof, etc.

MR. BABKA. That could cancel it also in a foreign country.

THE CHAIRMAN. I presume if they had their registration taken off this list here in this country it would automatically deprive them of whatever rights they might get under the convention. They might have some protection in the particular country in which they registered their trade-marks. Under their laws I doubt very much if we struck it off this list whether they would be entitled to the general protection of that treaty.

MR. NEWTON. I think your objection would be applicable to any registration. Take a mark that is registered under the present statute. If somebody else slips in here and registers it without the true owner of it knowing anything about it he can then go off and get his foreign registration and you can not hurt him with his foreign registration, but the true owner of the trade-mark can then come in and have the trade-mark here stricken from the register.

MR. JOHNSTON. Your register now, in this Winchester instance that Mr. Babka cited, would contain the Winchester as applied to the Winchester Axe Co. and it probably contains Winchester as applied to the Winchester Rifle Co. Is that true?

MR. NEWTON. Yes, sir.

MR. JOHNSTON. The Winchester Rifle Co. may come in and ask for registration of its name, Winchester, because it intends to extend its business and not confine it only to the rifle business but to go into the ax business.

MR. NEWTON. Yes, sir.

MR. JOHNSTON. Do you not think that would work a very great hardship on the Winchester Axe Co.?

MR. MERRITT. Not under the proposed bill.

MR. NEWTON. I do not think so.

MR. MERRITT. We proposed to meet that point in this way and to meet an objection which is fundamental and which the Commissioner made, that this bill as drawn rather ripped up the fundamental idea of the trade mark that the trade mark must be used first in order to be registered at all. So we propose to put on the end of this bill a provision that it shall be registered after such trade mark has been used on said articles in interstate or foreign commerce. You can put in one year or two years or any time you like about that, but, of course, after it has been used one year or two years, if there was such a thing as the Winchester Axe Co. they would naturally see it and they would have a chance to object, and tell them to stop it.

MR. JOHNSTON. They would then have to come in before the Commissioner of Patents and protest against this name being registered.

MR. MERRITT. Yes.

THE CHAIRMAN. Or if it had been registered they could come in and ask that it be stricken from the register.

MR. JOHNSTON. That gives them a contest in subsequent litigation, but does not give them a right.

MR. MERRITT. Nobody has anything without a contest.

MR. JOHNSTON. If they have any rights here, let us define them in the bill.

MR. MERRITT. The only way of establishing a man's right is in court. If I owe you \$10 you can not get it out of me if I do not want to pay unless you sue me.

MR. JOHNSTON. That is true but that is not an analogous case to this. We can provide for it here in this proposed bill by an amendment which will guarantee it to the original man.

MR. MERRITT. He has got it now.

MR. JOHNSTON. We can provide a value in this name that he will not be denied this right or have it taken from him just because another company is using a similar name or a similar trade-mark as applied to a different commodity. That, I think, might meet the situation.

MR. NEWTON. I do not quite see how you could, Mr. Johnston. You would have to finally get to a place where it would be questionable who does own this mark, who has a real right to it.

MR. JOHNSTON. Both of them might have an equal right to the trade name or trade-mark, but one could have it to apply exclusively to rifles and the other exclusively to axes, but now you are going to create a situation by this proposed bill so that this rifle company may also apply that name to axes as against the company which originally was in the ax business and has a trade value in that name.

MR. NEWTON. But very frequently we find that two people have been using the same trade-mark on identically the same goods.

MR. BABKA. I think if we amend the bill so as to make it compulsory that they use it for a certain definite time before they can register it that would do away with that objection.

THE CHAIRMAN. The fact of the matter is that you touch there on the right of somebody else to come in and claim interference. I had a case up with the commissioner a short time ago—at least, I called it to his attention—where a man had made application for trade-mark out in my section and he employed a firm of attorneys in St. Louis to look after his interests. Somebody down in Boston in the shoe business figured that was a pretty good trade-mark. They did not have a leg to stand on, and, in fact, wanted to compromise after the thing was going, but that did not protect him. He had to employ an attorney in St. Louis to represent him and go through with this case. There is no way in which you can stop that.

MR. NEWTON. You can not quite provide against contests, and the present statute provides for cancellation of these marks where registration was granted to one not the proper owner of them.

THE CHAIRMAN. He got his trade-mark granted, but they held him up for months and tried to compromise with him to get the right to use that trade-mark in their territory.

MR. CAMPBELL. You mentioned yesterday about the use of the word "Winchester" in axes, Mr. Seymour. Now, why do you think they used the name Winchester to borrow the reputation of the Winchester Arms Co. to give a standing for their products?

MR. SEYMORE. For no other reason. There is no company known as the Winchester Ax Co. There is a company, I think, located in Philadelphia, making a variety of goods, and I believe the name is Biddle, and they put out a line of axes. One of their axes they brand as the Winchester, and another as the Acme. The reason that

they brand that ax as Winchester is simply because they desire to graft on the prestige of the name Winchester.

Mr. BABKA. Of course, that would not be true in the case the chairman cited yesterday in respect to the harness manufacturer.

Mr. SEYMORE. Certainly not; there can be no possible question.

The CHAIRMAN. That was a family name that was built up.

Mr. SEYMORE. There can be no question of the right to the legitimate use of the name Winchester, either geographic or as a surname. I would not for a moment say that a man by the name of Winchester, engaged in the ax business or engaged in the rifle business, if anybody in this country wants to go into the rifle business and bears the name of Winchester he can go into that business and can call his rifles Winchester rifles with such additional descriptive matter as will provide for the notification of the public so that the two classes may be distinguished between. Now, as to this question of notice, an application for registration is filed in the Patent Office, and this application is printed in the back part of the Patent Office Gazette. Everybody throughout the country, all business men, all patent and trade-mark people, take the Patent Office Gazette. The first thing we do is to look and see what applications for trade-marks have been made. Our clients do the same thing, and if an application has been made for a trade-mark which is going to interfere with us or which we think the applicant is not entitled to, the question should be fought out by the machinery provided by the Patent Office. We file an opposition.

Our clients call on us on the telephone, "Look at page 521 of the last issue of the Gazette. Here is a man who wants to register black as a color for cartridges. How about that?" We made black cartridges a great many years ago and we have got lots of them still on our old exhibit cards. This happens to be an actual case. We file our opposition and the commissioner sets the machinery in motion and we take our testimony and we argue the case, but the public at large and everybody interested in the subject has already been advised by the publication which precedes actual registration. This is weekly notice to everybody in the United States who is at all interested in that subject. So on the score of notice everybody is informed. I am very glad that this question was asked because there is no Winchester Axe Co. and there is no desire at all to control the name Winchester for products allied to ours except where a person not entitled to the name wants to graft on our prestige by producing goods which would be sold in the same way with our goods, sold in the same line of shops and by the same people.

Mr. CAMPBELL. Could we not go further than that and insure the public when they buy an article which has a trade-mark of a reputable concern that they are getting that, and would it not be a protection to the public?

Mr. SEYMORE. A great protection to the public.

Mr. CAMPBELL. That is what I think we should do here in addition to protecting the manufacturer or firm we ought to protect the public against substitution of an article not of the same quality, sold on the prestige of an established trade-mark.

Mr. SEYMORE. Some concern, for instance, puts out a bicycle and calls that the Winchester bicycle, because the name Winchester has already been advertised so enormously all over the country and means so much to the general public on the score of quality. A man

can float a new article with an old name of great prestige very much easier than he can an article under an unknown name and the public are to that extent deceived. You saw in one of the books I gave you yesterday, if I brought it here, the name in the catalogue occurring on opposite pages. Here is a Winchester telescope sight which this dealer buys from the Winchester Co. That is the real thing. That is made by the Winchester Co. and stamped Winchester by the Winchester Co. and participates in the prestige of the Winchester Co.'s goods. On the opposite page is another article, a small rifle for use by boys. God knows who makes that other article but is it called a gun of the Winchester type. Now, the word Winchester is applied to the other article on the opposite side of the page which contains the true article, for no other earthly reason than to induce the purchaser to buy the article under the supposition that somehow or other it participates in the same quality.

We expect that the public will be protected by the provisions of a bill like this and we have no intention of squeezing out anybody who legitimately can use the word Winchester, not for a moment.

The CHAIRMAN. Mr. Commissioner, what substantial advantage is there to the people of the country in having a restriction such as we have at the present time on the issuance of a trade-mark of a commercial name? What protection do we afford the public, and after all, the public is the most interested party and they are the people we are seeking to protect by limiting the issuance of the trade-marks, so that they can not be issued where the name is descriptive of an article or where it is geographical. In other words, if an institution desires to go into the business of manufacturing something and their trade name is descriptive of it or they have a geographic name, if they are willing to invest their money and go along and build up a business, what is the reason, the fundamental reason, for imposing all these restrictions upon them? Why would it not be right for them to come in? Why do we want to limit it? The proposition of having use is probably all right; it is a question of time on that. But why do we throw these restrictions around it and have so much controversy over the trade-mark?

Mr. NEWTON. It is simply this. It is different for different words. Take Winchester, for example. The common-law status is that everybody in the town of Winchester or in the section of country known as Winchester has a right to say that their goods are made at Winchester. You can not keep them from saying that and ought not to keep them from saying it. That is the reason we refuse to register geographical terms. We could not allow a man to monopolize the word "Boston" for shoes.

The CHAIRMAN. That is all right for that point.

Mr. NEWTON. That is the geographic objection. As to the descriptive word, we say that everybody has a right to say what their goods are. For instance, the Du Ponts want to say that they have made black dyes. We can not let them monopolize the word "black" for dyes. We could not register the word "black" in dyes.

The CHAIRMAN. That is true.

Mr. NEWTON. It is for the protection of the trade in the use of ordinary English words, and we ought not to cut them off from it. Consequently we refuse to register descriptive words or geographic words, and in regard to a name the supposition was that anybody

named Smith would be allowed to do business under the name of Smith. We could not register the word Smith as a trade-mark and give exclusive use of it to any one Smith.

The CHAIRMAN. That is a family name, but take something that is descriptive of an article.

Mr. NEWTON. Take black for dyes. Suppose a man comes to me and wants to register the word black. We could not register the word black for dyes.

The CHAIRMAN. No.

Mr. NEWTON. We could not register any descriptive word for dyes; green, for example. We have a case in New York; appealed it up there to the court of appeals upon the word "infallible" for powder, which the Du Pont Co. has. We refused "infallible" for powder because it is descriptive. It means that your powder will always explode even though damp or off color.

The CHAIRMAN. That would be a case, I should say. Why should there be any limitation on that?

Mr. NEWTON. Because we say it is descriptive. Anybody else has a right to say their powder is infallible. Therefore we will not let them monopolize it by registering it. We can not keep them from it.

The CHAIRMAN. That is so.

Mr. NEWTON. But the 10 years provided under the present statute, supposing a man had use.

The CHAIRMAN. This is really the first hearing we have had for a long time on trade-marks to go into that question at all. That is one reason I would like to have the record show it.

Mr. NEWTON. The supposition of the legislature in passing the 1905 statute, giving us the right to register any word which is in use for 10 years, is sometimes these trade-marks get to have what is called secondary significance—that is, even though it is descriptive, even though it may be geographical, it is known so well in the country that everybody knows it as a mark of a certain man, and under that supposition we allowed them to register it under that 10-year clause of the statute. It has been in use so long that everybody knew who was the maker of it, and even though it could not be registered, even though it was descriptive or geographic we have registered it.

The CHAIRMAN. Have you quite a large registry of automobile names?

Mr. NEWTON. Oh, yes; a very large one. They are nearly all registered.

The CHAIRMAN. I notice there is an Oakland automobile. Has that ever been registered?

Mr. NEWTON. Yes, sir; Oakland is registered.

The CHAIRMAN. Still there are a lot of Oaklands in this country.

Mr. NEWTON. I know there are. We registered it on the ground that the word Oakland had reached a point where everybody knew the Oakland automobile, and it had a secondary meaning that was so much greater than the geographic meaning that it ought to be registered.

The CHAIRMAN. You have had to take into consideration the facts as to the name.

Mr. NEWTON. Yes.

Mr. MERRITT. That is under the 10-year clause.

The CHAIRMAN. I knew that.

Mr. NEWTON. It is quite true that some trade-marks after an extensive use get a secondary significance so much greater than the name of the little town that it happened to stand for. The court of appeals, however, has gone to the extreme in registering geographic terms. They have refused to register Orange Grove (¹). There was only one of them in this country and that had two houses in it.

The CHAIRMAN. You say that you have something you have drawn up as an amendment to this bill.

Mr. NEWTON. Yes.

Mr. JOHNSON. What I had in mind was an instance such as this. The Aetna name is applied now to the Aetna Explosive Co. Assume that there is an Aetna dye company which has been in existence for 10 years or upwards. Recently there has become known an Aetna Explosive Co. Now, the Aetna Explosive Co. has determined no longer to manufacture explosives. It intends to use its plant and manufacturing establishments to go into the dye business. Now, if the original Aetna dye company is registered as a trade name, will you permit the Aetna Explosive Co. to use the word "Aetna" on dyes which it may make?

Mr. NEWTON. It was the successor of the other Aetna company, was it?

Mr. JOHNSON. It was not the successor of the original Aetna company but it is the Aetna Explosive Co. which no longer is going to make explosives.

Mr. NEWTON. The same organization?

Mr. JOHNSTON. No, sir; a separate and distinct company.

Mr. NEWTON. No; I would not let them, in view of the adverse interests of the other party. The other party, in other words, could come in and oppose their registration and we would adjudge them to be the owner of the mark if they first used it. This does not give a man the right to register irrespective of whether anybody else has registered or not. This is only an amendment to the 1905 statute, which provides for settling all questions of controversy where the real right of the mark exists. This statute will only apply to those people who have no adverse rights, no superior adverse rights, but it will give us the right to register these words whereas now we can not register them, so that these people can get their marks registered.

I understood yesterday that your objection to this bill was that it was too restrictive—it was only applied to a very small class of people.

The CHAIRMAN. I wanted to get that other thing fixed in my mind. You say it would not in this case; about the case of the Aetna Powder Co.?

Mr. NEWTON. Let me understand the facts of Mr. Johnston's case.

Mr. JOHNSTON. I will state it as briefly as I can. For a number of years past, upward of ten, there has been a dye manufacturing company known as the Aetna Dye Co., and its dyes have been stamped with the trade-mark Aetna, and recently or, at least, during the war period there has sprung up a large corporation known as the Aetna Explosive Co., which is a separate and distinctly entity from the Dye company, in fact, a new corporation. That company has gone into the hands of the receiver, as it develops, and receivers have been operating, and as there is no occasion for manufacturing explosives on the extensive scale that they have been doing during the war the

receivers are trying to conclude what is the best way of employing that plant. It is assumed they determined to go into the dye business. They have been using the word Aetna explosives for four or five years now. If they want to go into the dye business, can they register that word Aetna and stamp it on dyes?

Mr. NEWTON. Not at all, if the other company had previously used it on dyes.

The CHAIRMAN. What is there in this bill 7157 to prevent them from doing so?

Mr. NEWTON. This bill is only a part of the main trade-mark bill, which provides whenever there is a conflict—

The CHAIRMAN (interposing). I know; but this bill is an amendment to that.

Mr. NEWTON. It is an amendment to a part of that bill. It does not repeal the contest clause of that bill. It provides that wherever there is a contest between two parties as to who owns the mark, the office shall proceed to take testimony.

The CHAIRMAN. This is the latest word in legislation; it is hereby amended by adding the following words thereto:

And if any person or corporation shall have so registered a mark upon the ground of said use for 10 years preceding February 20, 1905, as to certain articles or classes of articles to which said mark shall have been applied for said period, and shall have thereafter and subsequently extended his business so as to include other articles not manufactured by said applicant for ten years next preceding February 20, 1905, nothing herein shall prevent the registration of said trade-mark in the additional classes to which said new and additional articles manufactured by said person or corporation shall apply.

Mr. NEWTON. That is rather broad. It probably ought to be explained by saying that unless there are adverse interests, it shall be settled in accordance with other articles in this bill.

The CHAIRMAN. That is the point.

Mr. MERRITT. I have here this section 5 to which this is an amendment, and the following provision covers the point under discussion:

Provided, That trade-marks which are identical with a registered or known trademark owned and in use by another and appropriated to merchandise of the same descriptive properties, or which so nearly resemble a registered or known trademark owned and in use by another and appropriated to merchandise of the same descriptive properties as to be likely to cause confusion or mistake in the minds of the public or to deceive purchasers shall not be registered.

That is in the third paragraph.

Mr. NEWTON. I assume that that paragraph would apply to this amendment. It may be that it ought to be amended.

The CHAIRMAN. I have to again remind you of the fact that I am not a lawyer.

Mr. NEWTON. I am glad you brought that out. I think that ought to be understood. The way the law has been amended before in several of these statutes is to amend it so as to read as follows, and we could do that here in the same manner.

We have this condition as regards the proposed amendment that Mr. Parker and I went over last night and agreed on, that if this proposed bill be made a part of the present trade-mark bill, this proposition has nothing to do with it, because I proposed to put this in as an amendment to the Pan-American bill, and thus to bring out something that was discussed in this committee yesterday. I saw the typewritten copy of the discussion, and you asked, Mr.

Chairman, and, I believe, some of the other gentlemen discussed it, why should not we register these marks that are of doubtful validity and let them go on and get their foreign registration; put them on the register—put everything on the register that anybody wants to register without any examination—and, to tell you the truth, I do not know why that has not been done. It has been talked of for years in the office and among trade-mark people. There are a great many trade-marks that we will not register. Take some of the automobile trade-marks, perfectly good trade-marks, and the trade respects them, but we will not register them; for instance, the Detroit Electric. We would not register that, or the Cadillac, we would not register that. Detroit is a name of a town where all these things are made, and we say that anybody who makes an automobile in Detroit has a right to say he makes it in Detroit, and we can not give any man an exclusive right to use that. Still, the man ought to be able to get his foreign registrations, and for that reason I propose an amendment to the bill which was passed by the House yesterday, and I thought I would mention it to this committee.

The CHAIRMAN. Is it your purpose to draft an amendment to the bill that passed the House yesterday and offer it in the Senate or let it go on his bill here?

Mr. NEWTON. It would cover this bill to some extent, but in a general way.

The CHAIRMAN. Could it all be included?

Mr. NEWTON. There was some difficulty in including it all. It was not thought to include it all. The case that Mr. Merritt's bill proposes to cover is that of these long used names. That ought to go under the present trade-mark statute because they ought to be protected if there is any protection, because the present trade-mark law says that registration is *prima facie* evidence of ownership.

The CHAIRMAN. If you could make it general, applying throughout the world, instead of confining it to parties that signed that convention, why could you not include something that would bring them in?

Mr. NEWTON. This is a register that they make it from. It is an indication of ownership.

Mr. MERRITT. That only applies to South America.

Mr. NEWTON. The only reason they want this registration is to allow them to register abroad.

The CHAIRMAN. That bill that passed yesterday only applied to Central or South America, perhaps, and Cuba.

Mr. NEWTON. That is true, and they allowed the registration of any article.

The CHAIRMAN. As far as that convention was concerned, do you intend to amend that?

Mr. NEWTON. We propose an amendment to the trade-mark bill which passed yesterday to allow registration in this country whether it was registered abroad or not.

The CHAIRMAN. Covering the world?

Mr. NEWTON. So anybody could come in here and register any mark they wanted to.

The CHAIRMAN. If you are going to offer an amendment of that general character, why not include the provisions of this?

Mr. NEWTON. There is no reason why they should not have *prima facie* right to these marks and this bill does not give it to them.

The CHAIRMAN. Could you not put it on as an additional section?
Mr. NEWTON. No, sir; because the bill you passed yesterday would put these names on the register and not give them any *prima facie* evidence of ownership.

The CHAIRMAN. Of course, a new section could be attached to it in the Senate.

Mr. NEWTON. Yes. The amendment we propose is this:

All other marks not registrable under the act of Fe^ruary 20, 1905 (as amended), but which for not less than two years have been bona fide used in interstate or foreign commerce, or commerce with Indian tribes, by the proprietor thereof, upon or in connection with any goods of such proprietor and upon which the fee of \$10 has been paid and such formalities as are prescribed by the Commissioner of Patents have been complied with, may be registered.

Anything may be registered. That is an amendment to the bill that was passed yesterday. That bill does not give *prima facie* validity to the mark that is registered, the bill that passed yesterday, and this amendment does not give it. That is the reason we put this proposed amendment into the bill. But Mr. Merritt's bill wants to give them *prima facie* evidence of ownership, so we put that under the 1905 statute where it naturally belongs.

The CHAIRMAN. You probably do not get my idea. It seems to me an amendment similar to that could be attached to that particular measure, if you are going to make it of general character instead of confining it to signatories of the trade-mark convention.

Mr. NEWTON. The only reason we did that was that Mr. Merritt's bill wants *prima facie* protection which is already given in section 5 of the 1905 statute.

Mr. MERRITT. The chairman is now talking about a general amendment to my bill.

The CHAIRMAN. Figuring that we want to get action on these things with the legislative situation here. The Patents Committee may not be called for a long time again, and unless you are going to get it under suspension of the rules or by unanimous consent, this is likely to fall by the wayside. I am looking at the matter of expediency.

STATEMENT OF MR. F. S. BRIGHT, COLORADO BUILDING, WASHINGTON, D. C.

Mr. BRIGHT. I suggest this, that what you have just said is absolutely correct. It would be a very great service if this committee could report Mr. Merritt's bill and then permit those of us who are interested in it to take it to the Senate, as you have suggested. When the Senate committee begins the consideration of the bill that was passed yesterday, then ask the Senate committee to add to that bill as an additional section Mr. Merritt's bill. It would then carry the approval of this committee, if the committee sees fit to approve it, and then we will have a vehicle through which it can get through Congress. When the bill that passes the Senate with your amendment to it is sent over to the House, the only thing that is necessary is for the chairman of this committee to concur in the Senate amendment, because it has already the approval of this committee.

The CHAIRMAN. I just offered that as a suggestion, not that we would not proceed with the consideration of the bill upon its merits, inasmuch as you intend to offer something as an amendment to the Senate committee.

Mr. NEWTON. I thought it would be courtesy to this committee to tell them that I would ask the Senate committee to consider that.

The CHAIRMAN. What sort of an amendment would you suggest to this bill of Mr. Merritt's regarding the issue of time?

Mr. NEWTON. Mr. Merritt has written that in there, in accordance with my suggestion, at the end of his bill, as follows: "After said trade-mark has been used on said article in interstate or foreign commerce."

The CHAIRMAN. No time is specified?

Mr. MERRITT. I did not put in the time. The committee can put that in.

Mr. CAMPBELL. What would be your judgment on that, Mr. Commissioner, as to time?

Mr. NEWTON. It is thoroughly arbitrary. The English have put two years on their bill, and when we came to special privileges of our trade-mark bill we require 10 years.

Mr. CAMPBELL. That seems unusually long.

Mr. MERRITT. For foreign commerce the shorter the better. If you are going to shut out the pirates, do not give them too long. I should think in looking out for a trade-mark one year's notice would be proper.

Mr. NEWTON. I would say one year would be sufficient with the amount of notice we have given them now, published in the Gazette. They have notice of the fact that the things have gone into commerce. They would generally catch onto it within a year or two years, at the outside.

Mr. CAMPBELL. Was this thing submitted to you also, Mr. Merritt, to offer this as an amendment to the bill passed yesterday? Do you think it would work in that direction?

Mr. MERRITT. I think it would have to be adapted to that bill. The theory on which Mr. Bright spoke was if the committee saw fit to report this bill favorably, then we could go to the Senate and say this is a bill which has been reported.

(Thereupon, at 11.45 o'clock p. m., the committee adjourned.)

MSA # 21938

**END OF
TITLE**